

**A DECLARATORY RESOLUTION designating an
"Economic Revitalization Area" under I.C. 6-1.1-12.1 for
property commonly known as 1631 East Pontiac Street,
Fort Wayne, Indiana 46803. (ALCONEX SPECIALTY
PRODUCTS, INC.)**

WHEREAS, Petitioner has duly filed its petition dated April 9, 1997 to have the following
described property designated and declared an "Economic Revitalization Area"
under Section 153.02 of the Municipal Code of the City of Fort Wayne, Indiana, of
1993, as amended, and I.C. 6-1.1-12.1, to wit:

Attached hereto as "Exhibit A" as if a part herein;
and

WHEREAS, said project will create 12 permanent jobs for a total additional annual payroll of
\$300,000, with the average new annual job salary being \$25,000 and retain 23 jobs
with a current annual payroll of \$772,000, with the average job salary being \$33,565;
and

WHEREAS, the total estimated project cost is \$2,200,000; and

WHEREAS, it appears the said petition should be processed to final determination in
accordance with the provisions of said Division 6.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE
CITY OF FORT WAYNE, INDIANA:**

SECTION 1. That, subject to the requirements of Section 6, below, the property hereinabove
described is hereby designated and declared an "Economic Revitalization Area"
under I.C. 6-1.1-12.1. Said designation shall begin upon the effective date of the
Confirming Resolution referred to in Section 6 of this Resolution and shall terminate
on December 31, 2005.

SECTION 2. That, upon adoption of the Resolution:

- (a) Said Resolution shall be filed with the Allen County Assessor;
- (b) Said Resolution shall be referred to the Committee on Finance and shall also be
referred to the Department of Economic Development requesting a recommendation

1 from said department concerning the advisability of designating the above
2 designated area an "Economic Revitalization Area";

- 3 (c) Common Council shall publish notice in accordance with I.C. 6-1.1-12.1-2.5 and I.C.
4 5-3-1 of the adoption and substance of this resolution and setting this designation as
5 an "Economic Revitalization Area" for public hearing;
- 6 (d) If this Resolution involves an area that has already been designated an allocation
7 area under I.C. 36-7-14-39, then the Resolution shall be referred to the Fort Wayne
8 Redevelopment Commission and said designation as an "Economic Revitalization
9 Area" shall not be finally approved unless said Commission adopts a Resolution
10 approving the petition.

11 SECTION 3. That, said designation of the hereinabove described property as an "Economic
12 Revitalization Area" shall apply to a deduction of the assessed value of personal
13 property for new manufacturing equipment.

14 SECTION 4. That, the estimate of the number of individuals that will be employed or whose
15 employment will be retained and the estimate of the annual salaries of those
16 individuals and the estimate of the value of new manufacturing equipment, all
17 contained in Petitioner's Statement of Benefits, are reasonable and are benefits that
18 can be reasonably expected to result from the proposed described installation of new
19 manufacturing equipment.

20 SECTION 5. That, the current year approximate tax rates for taxing units within the City
21 would be:

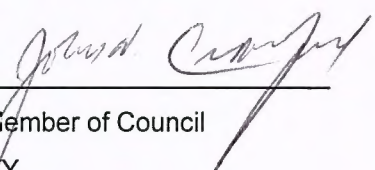
- 22 (a) If the proposed new manufacturing equipment is not installed, the approximate
23 current year tax rates for this site would be \$9.2453/\$100.
- 24 (b) If the proposed new manufacturing equipment is installed and no deduction is
25 granted, the approximate current year tax rate for the site would be \$9.2453/\$100
26 (the change would be negligible).
- 27 (c) If the proposed new manufacturing equipment is installed and a deduction
28 percentage of eighty percent (80%) is assumed, the approximate current year tax
29 rate for the site would be \$9.2453/\$100 (the change would be negligible).

30 SECTION 6. That, this Resolution shall be subject to being confirmed, modified and
confirmed, or rescinded after public hearing and receipt by Common Council of the
above described recommendations and resolution, if applicable.

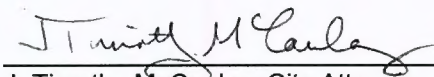
1 SECTION 7. That, pursuant to I.C. 6-1.1-12.1, it is hereby determined that the deduction
2 from the assessed value of the new manufacturing equipment shall be for a period of
3 five years.

4 SECTION 8. That, the benefits described in the Petitioner's Statement of Benefits can be
5 reasonably expected to result from the project and are sufficient to justify the
6 applicable deductions.

7 SECTION 9. That, this Resolution shall be in full force and effect from and after its passage
8 and any and all necessary approval by the Mayor.

9
10 
Member of Council

11 APPROVED AS TO FORM AND LEGALITY

12 
13 J. Timothy McCaulay, City Attorney
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Legal Description

EXHIBIT

A

DESCRIPTION

Part of Lot #42 in Lillie's Out Lots together with part of the East Half of the East Half of the Southeast Quarter of Section 12, Township 30 North, Range 12 East, in the City of Fort Wayne, Allen County, Indiana, all being more particularly described as follows, to wit:

Beginning at the point of Intersection of the North right-of-way line of Pontiac Street, as it presently exists, with the East right-of-way line of Winter Street, as it presently exists; thence North, on and along said East right-of-way line, a distance of 375.35 feet to the point of Intersection of said East right-of-way line with the North line of said Lot #42; thence Easterly, on and along said North line, a distance of 286.6 feet to the Northeast corner thereof; thence South, on and along the East line of said Lot #42 and the Southerly projection thereof, being also the West right-of-way line of Lillie Street, a distance of 381.25 feet to the point of Intersection of said West right-of-way line with the North right-of-way line of Pontiac Street; thence Westerly, on and along said North right-of-way line, a distance of 286.75 feet to the point of beginning, containing 2.489 acres of land, subject to all easements of record.

TOGETHER WITH: The South 30.0 feet of Lot #38 in Rau's Addition to the City of Fort Wayne, Indiana.

ALSO TOGETHER WITH: Lots #7 and #8 in Eckel's Subdivision of Lots #43 and #44 in Lillie's Out Lots to the City of Fort Wayne, Indiana.

This property is in Zone C according to Flood Insurance Rate Map 180003 0030 B, effective April 3, 1985.

CERTIFICATE OF SURVEY

This document is a record of a resurvey of land and real estate prepared in conformity with established rules of surveying and made in accordance with the records on file in the Recorder's office of Allen County, State of Indiana. The land described exists in full dimensions as shown hereon in feet. It is free from encroachments by adjoining land owners unless specifically stated below. Corners were perpetuated as indicated.

I hereby certify that the above survey is correct.

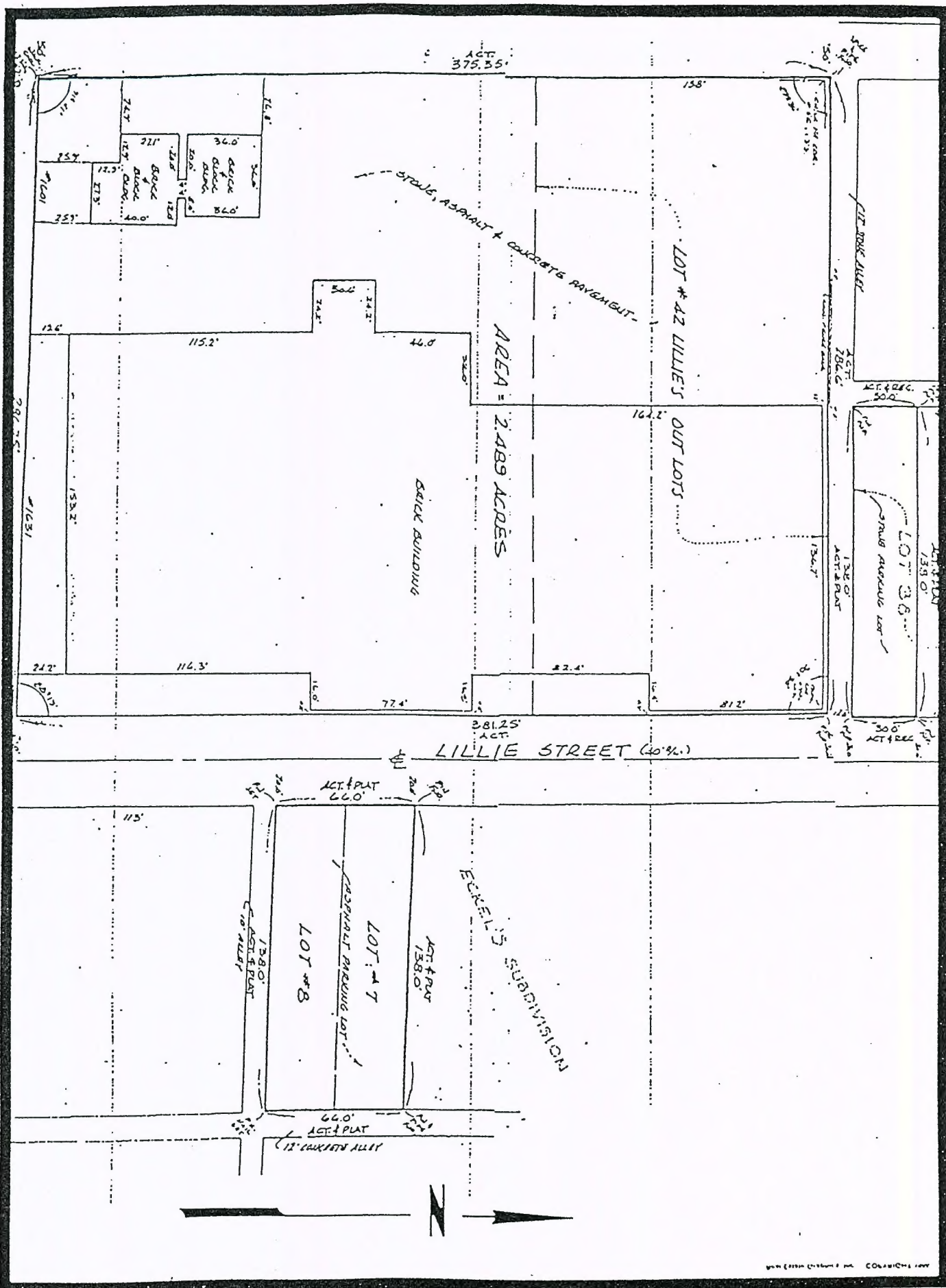
Zohrab K. Tazian
Registered Land Surveyor



THE S. 30' OF LOT #38 RAU'S ADDN., LOTS #7 & #8 ECKEL'S SUB., LOT #42 LILLIE'S OUT LOTS TOGETHER WITH PART OF E 1/2, E 1/2, SEC. 12, T30N, R12E, ALL IN THE CITY OF FORT WAYNE, IND.

SCALE 1" = 40'	APPROVED BY	DRAWN BY SLF
DATE: 5 OCT. 88		
BY: Z. K. TAZIAN ASSOCIATES, INC. 345 W. WAYNE ST., FORT WAYNE, IND.		
FOR: COCA-COLA BOTTLING COMPANY OF FT.W., IND. & DUNBRU REALTY CO.	DRAWING NUMBER PO-136	

Survey



Read the first time in full and on motion by Crawford,
and duly adopted, read the second time by title and referred to the Committee on Finance, (and the City Plan Commission for recommendation)
and Public Hearing to be held after due legal notice, at the Common Council Conference
Room 128, City-County Building, Fort Wayne, Indiana, on _____,
the _____ day of _____, 19____, at
o'clock _____ M., E.S.T.

DATED: 4-22-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK
Walter E. Schaff, Deputy Clerk

Read the third time in full and on motion by Crawford,
and duly adopted, placed on its passage. PASSED
by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>9</u>			<u>1</u>
BENDER				<u>1</u>
CRAWFORD	<u>1</u>			
EDMONDS	<u>1</u>			
HALL	<u>1</u>			
HAYHURST	<u>1</u>			
HENRY	<u>1</u>			
LUNSEY	<u>1</u>			
RAVINE	<u>1</u>			
SCHMIDT	<u>1</u>			

DATED: 4-22-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK
Walter E. Schaff, Deputy Clerk

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana,

as (ANNEXATION) _____ (APPROPRIATION) _____ (GENERAL) _____ (SPECIAL) _____

(ZONING) _____ ORDINANCE _____ RESOLUTION NO. R-23-97

on the 22nd day of April, 1997

ATTEST: Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK
Walter E. Schaff, Deputy Clerk

SEAL

Thomas P. Henry
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the

23rd day of April, 1997,
at the hour of 11:00, o'clock PM, M., E.S.T.

Approved and signed by me this 24th day

of April, 1997, at the hour of 5:30
o'clock PM, M., E.S.T.

Paul Helmke
PAUL HELMKE, MAYOR



STATEMENT OF BENEFITS

State Form 27167 (R5 / 11-95)

Form SB - 1 is prescribed by the State Board of Tax Commissioners, 1989

FORM
SB - 1

INSTRUCTIONS:

1. This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment, or **BEFORE** the redevelopment or rehabilitation of real property in which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, **BEFORE** a deduction may be approved.
3. To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer Alconex Specialty Products, Inc.	
Address of taxpayer (street and number, city, state and ZIP code) 1631 East Pontiac Street, Fort Wayne, IN 46803	
Name of contact person James E. Berry	Telephone number (219) 744-3446

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT		
Name of designating body FORT WAYNE COMMON COUNCIL		Resolution number R -
Location of property 1631 East Pontiac Street, Fort Wayne, IN 46803	County Allen	Taxing district 91 - FW Wayne
Description of real property improvements and / or new manufacturing equipment (use additional sheets if necessary) Conform machines and ancilliary equipment for use in the production of magnet wire for electrical transformers	ESTIMATED	
	Start Date	Completion Date
	Real Estate	
New Mfg Equipment	June 1997	Dec 2000

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 23	Salaries \$772,000	Number retained 23	Salaries \$772,000	Number additional 12 *	Salaries \$300,000 *

*see employment progression schedule attached

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT				
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values			798,000	81,100
Plus estimated values of proposed project			2,200,000	293,300
Less values of any property being replaced				
Net estimated values upon completion of project			2,998,000	374,400

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER	
Estimated solid waste converted (pounds) _____	Estimated hazardous waste converted (pounds) _____
Other benefits: Alconex will continue to work with the Fort Wayne Enterprise Center in hiring qualified zone residents as well as others in the neighboring communities to fill these new employment opportunities. Alconex will also continue to work with the local governmental and not-for-profit agencies in improving the condition of the surrounding neighborhood.	

SECTION 6 TAXPAYER CERTIFICATION		
I hereby certify that the representations in this statement are true.		
Signature of authorized representative 	Title CEO	Date signed (month, day, year) April 9 1997

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements; ☐ Yes ☐ No
 2. Installation of new manufacturing equipment; ☐ Yes ☐ No
 3. Residentially distressed areas ☐ Yes ☐ No
- C. The amount of deduction applicable for new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to redevelopment or rehabilitation is limited to \$ _____ cost with an assessed value of \$ _____.
- E. Other limitations or conditions (specify) _____
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for:
☐ 5 years ☐ 10 years The deduction period will be five (5) years unless the designating body has by resolution specified the ten (10) year period.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) <i>Thomas P. Henry, Council President</i>	Telephone number <i>219 427-1221</i>	Date signed (month, day, year) <i>4-22-97</i>
Attested by: <i>Sandra E. Kennedy, City Clerk</i>	Designated body <i>Common Council</i>	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5. Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%

CITY OF FT WAYNE

APR 09 1997

FOR STAFF USE ONLY:

Declaratory Passed _____ 19____
 Confirmatory Passed _____ 19____
 12 FT Jobs Currently
 5 PT Jobs Currently
 \$ 32,565 Current Average Annual Salary

DEPT. OF ECON DEVL.

12 FT Jobs to be Created
 0 PT Jobs to be Created
 \$ 25,000 Avg Annual Salary of all New Jobs
 18 FT Jobs to be Retained
 5 PT Jobs to be Retained
 \$ 33,565 Avg Annual Salary of all Retained Jobs

ECONOMIC REVITALIZATION AREA APPLICATION CITY OF FORT WAYNE, INDIANA

APPLICATION IS FOR:

Real estate key no. 43-330-20011

(Check appropriate box(es) below)

☐ Real Estate Improvements Total cost of improvements: _____
☒ Personal Property (New Manufacturing Equipment) Total cost of improvements: 2,200,000.00

TOTAL OF ABOVE IMPROVEMENTS: 2,200,000.00*

*See attachment for project cost breakdown and
new employment progression.

GENERAL INFORMATION

Taxpayer's name: Alconex Specialty Products, Inc. Telephone: 219-744-3446Address listed on tax bill: 1631 East Pontiac Street, Fort Wayne, IN 46803Name of applicant's business: Alconex Specialty Products, Inc.Name of business to be designated, if applicable: N/A

DBA: _____

Address of property to be designated: 1631 East Pontiac StreetContact person if other than above: Name: James E. Berry, CFO Telephone: 219-744-3446Address: 1631 East Pontiac Street, Fort Wayne, IN 46803

☒ Yes ☐ No Is the property for which you are requesting ERA designation totally within the corporate limits of the City of Fort Wayne?

☐ Yes ☒ No Do you plan to request state or local assistance to finance public improvements?

☐ Yes ☒ No Will the proposed project have any adverse environmental impact?

Describe: _____

Describe the product or service to be produced or offered at the project site? Alconex is a company which extrudes magnet wire for use by our customers in the production of electrical transformers. New machinery is needed to expand the capacity at Alconex as well as moving into new magnet wire product lines.

In order to be considered an Economic Revitalization Area (ERA), the area must be within the corporate limits of the City of Fort Wayne and must have become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. It also includes any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues.

How does the property for which you are requesting designation meet the above definition of an ERA?

The business is located in the urban enterprise zone in the former Coca-Cola Bottling plant on Pontiac Street. This is an economically disadvantaged commercial and residential area due to property obsolescence and a high rate of crime.

REAL ESTATE ABATEMENT

Complete this section of the application only if requesting a deduction from assessed value for real estate improvements.

Describe any structure(s) that is/are currently on the property: _____

Describe the condition of the structure(s) listed above: _____

Describe improvements to be made to property to be designated: _____

Projected construction start (month/year): _____

Projected construction completion (month/year): _____

Current land assessment: \$ _____ Current improvements assessment: \$ _____

Current real estate assessment: \$ _____ Current property tax bill on site to be designated: \$ _____

What is the anticipated first year tax savings attributable to this designation? \$ _____

How will you use these tax savings? _____

PERSONAL PROPERTY ABATEMENT

Complete this section of the application only if you are requesting a deduction from the assessed value of new manufacturing equipment.

List below the manufacturing equipment for which you are seeking an ERA designation. This equipment must be used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property at the site to be designated: Alconex will be purchasing various Conform machinery and the related ancillary equipment which is used to extrude magnet wire. This is part of a
tiered expansion plan designed to increase current production capacity as well as enabling us
to move into the production of new magnet wire products.

☐ Yes ☒ No Has the above equipment for which you are seeking a designation, ever before been used for any purpose in Indiana?

Equipment purchase date: June 1997 - Dec. 2000 Equipment installation date: June 1997 - Dec 2000

Current personal property tax assessment: \$54,140 Annual personal property tax bill: \$ 4818

What is the anticipated first year tax savings attributable to this designation? \$26,100

How will you use these tax savings? The tax savings generated by this abatement will assist us in
our efforts to expand our current capacity and offer new magnet wire products. As shown on
the attached employment progression schedule, this expansion will enable us to offer several
new employment opportunities at Alconex, while maintaining a competitive compensation package
for our existing workforce

PUBLIC BENEFIT INFORMATION

EMPLOYMENT INFORMATION FOR FACILITY TO BE DESIGNATED

ESTIMATE OF EMPLOYEES AND SALARIES AS A RESULT OF PROPOSED FORT WAYNE FACILITY TO RECEIVE E.R.A. DESIGNATION			
	NO. OF EMPLOYEES ¹	TOTAL ANNUAL PAYROLL ²	AVERAGE ANNUAL SALARY ³
CURRENT NUMBER FULL-TIME	18	\$772,000	\$33,565
CURRENT NUMBER PART-TIME	5		
NUMBER RETAINED FULL-TIME	18	\$772,000	\$33,565
NUMBER RETAINED PART-TIME	5		
NUMBER ADDITIONAL FULL-TIME	12 *	\$300,000 *	\$25,000 *
NUMBER ADDITIONAL PART-TIME	0		

Check the boxes below if the jobs to be created will provide the listed benefits:

☒ Pension Plan ☒ Major Medical Plan ☐ Disability Insurance

☐ Tuition Reimbursement ☐ Life Insurance ☐ Dental Insurance

List any benefits not mentioned above: Expanded number of paid days off for illness or personal matters.

When will you reach the levels of employment shown above? (Year and month) December 31, 2001 - ~~423~~ See employment progression schedule

Types of jobs to be created as a result of this project? Manufacturing production jobs of various grade levels including possible shift supervisory positions.

* See employment progression schedule attached

¹Sum of full- and part-time must match the figures given in Section 3 of "Statement of Benefits" Form SB-1 under "Current number", "Number retained", and "Number additional".

²It is to include your total annual payroll.

³Total annual payroll divided by the total number of employees at site to be designated both full- and part-time).

REQUIRED ATTACHMENTS

The following must be attached to the application.

1. Full legal description of property. (Property tax bill legal descriptions are not sufficient.)
Should be marked as **Exhibit A**.
2. Check for application fee made payable to the City of Fort Wayne.

<u>Project Cost</u>	<u>Fee</u>
\$0 to 250,000	\$ 500
\$250,001 to 1,000,000	\$ 700
\$1,000,001 and over	\$1,000
3. Owner's Certificate (if applicant is not the owner of property to be designated).
Should be marked as **Exhibit B** if applicable.

I hereby certify that all information and representations made on this application and its attached exhibits are true and complete and that no building permit has been issued for construction of improvements, nor has any manufacturing equipment which is a part of this application been purchased and installed as of the date of filing of this application. I understand that any incorrect information on this application may result in a recession of any tax abatements which I may receive. I understand that I must file a correctly completed CF-1 (Compliance With Statement of Benefits Form) with BOTH the City of Fort Wayne Department of Economic Development, AND the County Auditor within 60 days of the end of each year in which I receive deduction. Failure to file the CF-1 with either agency may result in a recision of any tax abatement occurring as a result of this application.



Signature of Applicant

April 9, 1997

Date

James E. Berry, CFO

Typed Name and Title of Applicant

ALCONEX SPECIALTY PRODUCTS, INC.

PROJECT COST AND EMPLOYMENT PROGRESSION SCHEDULE

<u>Project</u>	<u>Estimated Cost</u>	<u>Anticipated Number of New Jobs</u>
-New Conform Machine	\$ 700,000	4
-New Conform Machine Top	\$ 100,000	1
-Wide-Sheet Conform Machine	\$ 500,000	3
-New Oversized Conform Machine	\$ 900,000	4
	<hr/>	<hr/>
Totals	\$2,200,000	12
	=====	=====

We estimate that up to a two-year period of time may be needed, after each project is fully implemented, in order to reach the new job creation levels shown above. This time is needed to move in a logical progression of hiring and training new employees while simultaneously increasing the production output from each machine. Obviously, this project progression and job creation may be slowed if Alconex were to experience an unanticipated economic downturn in its core magnet wire business.

ALCONEX SPECIALTY PRODUCTS, INC.

PROJECT COST AND EMPLOYMENT PROGRESSION SCHEDULE

<u>Project</u>	<u>Estimated Cost</u>	<u>Anticipated Number of New Jobs</u>
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-New Oversized Conform Machine	\$ 900,000	4
	<hr/>	<hr/>
Totals	\$2,200,000	12
	=====	====

We estimate that up to a two-year period of time may be needed, after each project is fully implemented, in order to reach the new job creation levels shown above. This time is needed to move in a logical progression of hiring and training new employees while simultaneously increasing the production output from each machine. Obviously, this project progression and job creation may be slowed if Alconex were to experience an unanticipated economic downturn in its core magnet wire business.

MEMORANDUM

DEPARTMENT OF ECONOMIC DEVELOPMENT

TO: Common Council Members

FROM: Trisha Gensic
Senior Economic Development Specialist, Department of Economic Development

DATE: April 16, 1997

SUBJECT: Real Property Tax Abatement Application dated April 9, 1997 for Alconex Specialty Products, Inc.
Address: 1631 East Pontiac Street

Background

Description of Product or Service Provided by Company: Alconex Specialty Products is a manufacturer of extruded aluminum magnet wire used by other companies in the manufacture of electrical transformers.

Description of Project: This project consists of the purchase of \$2,200,000 in manufacturing machinery.

Total Project Cost:	\$2,200,000	Number of Full Time Jobs Created:	12
Councilmanic District:	1st	Number of Part Time Jobs Created:	0
Existing Zoning of Site:	M-2	Average Annual Wage of Jobs Created:	\$25,000
		Number of Full Time Jobs Retained:	18
		Number of Part Time Jobs Retained:	3
		Average Annual Wage of Jobs Retained:	\$33,565

Project is Located Within a:

Designated Downtown Area:	Yes__ No_X_	Redevelopment Area:	Yes__ No_X_
Urban Enterprise Area:	Yes_X_ No__	Platted Industrial Park:	Yes__ No_X_

Effect of Passage of Tax Abatement

Will stimulate additional recapitalization and job creation in a distressed area of the community.

Effect of Non-Passage of Tax Abatement

Company may decide not to invest in the area, further eroding the tax base.

Staff Recommendation

Per the established policy of the Department of Economic Development, the following recommendations are made:

1. Designation as an "Economic Revitalization Area" should be granted.
2. Designation should expire on December 31, 2005.
3. The period of deduction should be limited to five years.

Signed:

Tisha Senn

Title

SE ED Specialist

Comments

This project is the last ERA designation to come in under the "old" policy. As such, all items are addressed as though the new policy were not yet in place. It should be noted that the recapitalization in this facility, the "old Coca-Cola plant", by Alconex is a welcome addition to the tax base of the area.

Admn. Appr. _____

DIGEST SHEET

TITLE OF ORDINANCE Declaratory Resolution

DEPARTMENT REQUESTING ORDINANCE Department of Economic Development

SYNOPSIS OF ORDINANCE Declaratory resolution requesting the designation of an Economic Revitalization Area at 1631 East Pontiac Street for Alconex Specialty Products, Inc. Alconex intends to purchase \$2,200,000 in new manufacturing equipment allowing it to continue to extrude magnet wire for electrical transformers. The additional equipment is expected to result in the retention of 23 employees at an average salary of \$33,565 and the creation of 12 new full-time positions at an average salary of \$25,000.

EFFECT OF PASSAGE Would allow company to phase-in new property taxes resulting from its investment, to continue its expansion in the magnet wire drawing business, retain 23 employees and add 12 new employees.

EFFECT OF NON-PASSAGE Company would be forced to pay the full property tax increase at a time when cash flow is worst. This could result in the project not being completed and the subsequent benefits would be negated.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) ANTICIPATED FIRST YEAR TAX SAVINGS \$27,120

ASSIGNED TO COMMITTEE (PRESIDENT) John Crawford

BILL NO. R-97-04-15

REPORT OF THE COMMITTEE ON FINANCE

JOHN N. CRAWFORD - DONALD J. SCHMIDT - CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM
WAS REFERRED AN (~~ORDINANCE~~) (~~XXXXXXXXXX~~) (RESOLUTION) designating an
"Economic Revitalization Area" under I.C. 6-1.1-12.1 for property
commonly known as 1631 East Pontiac Street, Fort Wayne, Indiana,
(~~ALCONEX SPECIALTY PRODUCTS, INC.~~)

HAVE HAD SAID (~~ORDINANCE~~) (~~XXXXXXXXXX~~) (RESOLUTION) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(~~ORDINANCE~~) (~~XXXXXXXXXX~~) (RESOLUTION)

DO PASS

DO NOT PASS

ABSTAIN

NO REC

<u>John N. Crawford</u>	<u> </u>	<u> </u>
<u>Diedre A. Hill</u>	<u> </u>	<u> </u>
<u>Thomas E. Hylburn</u>	<u> </u>	<u> </u>
<u>DD Summich</u>	<u> </u>	<u> </u>
<u>Thomas P. Hays</u>	<u> </u>	<u> </u>
<u>Archie C. Miller</u>	<u> </u>	<u> </u>
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DATED: 4-22-97.

Sandra E. Kennedy
City Clerk